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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

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COUNTRY Germany (Russian Zone)

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SUBJECT Finances of FDJ Thuringia

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Origin of Funds.

1. The FDJ Landesvorstand in Thuringia was required to submit a budget for the fiscal year 1950/1951 to the Land Government. The budget was approved in full by the Landtag and the executive branch. The Land Government accordingly transferred to the Landesvorstand for said fiscal year the sums of DM 2,850,000 for FDJ activities and DM 1,600,000 for Young Pioneer activities making a total of DM 4,450,000.
2. The Kreistage were also directed to give financial support to the FDJ Kreisvorstaende. They are required to contribute DM 0.17 per person per year, which amounts to a total of approximately 500,000 DM for the entire Land. This sum is paid directly to the Landesvorstand which handles the necessary allotments to the Kreise. The sums must not appear in the Kreis budgets but must be raised through economy. The entire sums required for the past fiscal year were raised in this manner. Hence the taxpayer bears the entire burden of government subsidy to the organization.
3. The FDJ Landesvorstand receives an additional monthly payment of 80,000 DM from the FDJ Central Committee to defray salaries and wages. Additional funds for the FDJ are also raised by donations, by parties, and mass organizations.

Salaries and Wages.

4. Of the gross salaries paid to FDJ functionaries in the Landesverband, 150 DM are exempt from taxation. Functionaries serving with smaller units receive smaller exemptions.
5. Functionaries, including Referent and InstruktEUR, are paid 100 DM per month for representation expenses, in addition to their salaries. The finance department of the Landesvorstand attempts to conceal this additional payment from the Thuringia Finanzamt, in order to relieve the functionaries of additional taxation.

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6. Salaries paid are as follows:

Land chairman	DM 450	plus	DM 100
Land secretary	DM 400	plus	DM 100
Department chief	DM 350	plus	DM 100
Referent	DM 300	plus	DM 100
Instructor	DM 300	plus	DM 100
Specialist (Sachbearbeiter)	DM 350		
Typists and technical personnel	DM 200 up to DM 250		
Kreis chairman	DM 400		
Kreis secretary	DM 350		
Kreis instructor	DM 300		

7. Salaries to be paid by the Kreisverbände are also remitted by the Landesverband since this mode of operation guarantees an accurate deduction of taxes and collection of insurance dues.

Total Monthly Expenses of the Landesverband for Salaries.

8. The Landesverband expends the following sums for salaries:

1 Land chairman	DM 550 - DM	550
6 Land secretaries	DM 500 - DM	3,000
16 department chiefs	DM 450 - DM	7,200
56 advisors	DM 400 - DM	22,400
25 instructors	DM 400 - DM	10,000
38 specialists	DM 350 - DM	13,300
40 technical employees	DM 225 - DM	9,000
22 Kreis chairmen	DM 400 - DM	8,800
approximately 66 Kreis secretaries	DM 350 - DM	23,100
approximately 110 Kreis instructors	DM 300 - DM	33,000
Monthly total for salaries	DM	130,350

This amount is exclusive of the sum paid for auxiliary personnel employed by the Kreise.

Debts of the Landesverband.

9. The table below lists debts exclusive of those resulting from the FDJ Whitsun Rally.

a. Debts owed by the Kreisverbände to the Landesverband as of 2 January 1950.

Kreisverband Altenburg	DM 14,013.95
Kreisverband Arnstadt	DM 17,253.98
Kreisverband Eisenach	DM 33,496.91
Kreisverband Erfurt	DM 15,050.63
Kreisverband Gera	DM 19,090.62
Kreisverband Gotha	DM 7,766.54
Kreisverband Greiz	DM 19,670.14
Kreisverband Heiligenstadt	DM 16,057.04
Kreisverband Hildburghausen	DM 9,085.83
Kreisverband Jena	DM 15,000.00
Kreisverband Langensalza	DM 6,834.60
Kreisverband Meiningen	DM 16,795.37
Kreisverband Muehlhausen	DM 17,456.31
Kreisverband Nordhausen	DM 18,249.77
Kreisverband Rudolstadt	DM 30,000.00
Kreisverband Saalfeld	DM 7,583.26
Kreisverband Schleiz	DM 14,964.47
Kreisverband Schmalkalden	DM 12,115.60
Kreisverband Sondershausen	DM 11,784.15
Kreisverband Sonneberg	DM 9,034.27
Kreisverband Suhl	DM 4,650.90
Kreisverband Weimar	DM 26,604.52

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The present status of debts owed by the individual Kreisverbaende to the Landesverband is about 30 percent higher on the average than indicated above.

- b. The Thuringian Landesverband owes approximately DM 305,000 to the postal service and about DM 350,000 to other offices outside the Landesverband. The individual Kreisverbaende owe approximately DM 450,000 to offices outside the FDJ. The Landesverband thus is about DM 1,150,000 in debt.

Financial Plans.

10. In the future, the FDJ is to be financed chiefly by the Sport und Wanderartikel GmbH which holds a monopoly on the sale of articles of this type in the German Democratic Republic. This company makes an average profit of 20 to 25 percent on goods it handles.

11. The proceeds of the company are allotted as follows:

FDJ Central Committee	- 30 percent
FDJ Landesverband	- 30 percent
Jugendheim GmbH	- 30 percent
Capital stock and reserve	- 10 percent

Financial Problems Resulting from the FDJ Whitsun Rally.

12. The liquidation of the debts which resulted from the Whitsun Rally is a matter of earnest concern to the Thuringian Landesverband. In a conference it was said that the Thuringian Landesvorstand alone is about 1,5 million in debt.

13. The financial status of the Thuringian Landesvorstand for the Whitsun Rally is as follows:

a. Expenditures.

Direct expenses

For railroad transportation	DM 930,000
For motor transportation	DM 450,000

Direct payment to the Central Council of the following receipts:

Lump sum for collection lists	DM 400,000
Participation fees for FDJ	DM 346,000
Participation fees for Young Pioneers	DM 35,000

Clothing	DM 4,138,302
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Indirect expenses

Salaries	DM 37,340
Fares	DM 25,000
Gasoline	DM 8,400
Telephone	DM 8,000
Advertising	DM 24,400
Material	DM 198,300
Expendable supplies	DM 7,990
Land band	DM 20,000
Land culture group	DM 3,800
Special support to Kreise	DM 22,000

Total Expenditures	DM 6,654,532
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b. Receipts.

Receipts from the Kreise	
Donations	DM 733,780
Participation fees for FDJ	DM 346,000
Participation fees for Young Pioneers	DM 35,000
Collection lists	DM 21,700
Receipts from FDGB	DM 158,242
Tickets for prominent persons	DM 40,000
Railroad donation tickets	DM 7,000
Donations for band	DM 11,000
Sale of post cards	DM 50,000
Donation by the Land Government	DM 200,000
Sale of clothing	DM 2,371,875
Letters of credit for commodities	DM 250,000

Total receipts: DM 4,224,597

c. <u>Deficit</u>	(as received)	DM 2,429,940
	Corrected total	DM 2,429,936

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